

THE FIFTIETH ANNIVERSARY

1891-1941



ANNUAL  
REPORT  
1940

BEECH-NUT PACKING COMPANY

CANAJOHARIE, NEW YORK

AVERY ARCHITECTURAL AND FINE ARTS LIBRARY  
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# BEECH-NUT PACKING COMPANY

## CANAJOHARIE, NEW YORK



March 10, 1941

### TO THE STOCKHOLDERS:

In 1941 Beech-Nut Packing Company celebrates its Golden Anniversary. At this time it is gratifying to be able to report that the financial position of your Company is sound and that public acceptance of the Company's products continues.

Submitted herewith are Consolidated Balance Sheet and Consolidated Statements of Income and Surplus for the year 1940, together with the report of O. F. Taylor & Co., Certified Public Accountants.

The net income for 1940 was \$2,889,939.73, equivalent to \$6.61 per share on 437,524 shares of common stock outstanding as compared with \$5.65 per share on the same number of shares reported for 1939. Dividends on the 7 $\frac{1}{2}$  Class "A" preferred stock amounted to \$70.00. Dividends on the Common Stock, \$6.25 per share, amounted to \$2,734,525.00.

During the year 40 shares of Preferred Stock, Class "A", which constituted all of such stock outstanding, were purchased for retirement, making a total of 45 shares held in the Treasury for this purpose. At the annual meeting stockholders will be asked to approve a reduction in the capitalization of the Company which will eliminate all preferred stock, leaving only common stock authorized and outstanding.

The financial position of your Company continues to be strong, with no bank loans, no funded debt and no preferred stock outstanding. Current assets as of December 31, 1940, were \$17,166,-818.52 as compared with current liabilities of \$2,087,746.22. Inventories at the close of the year were \$1,041,641.92 greater than at the beginning of the year. In view of larger inventories and the possibility of future decline in inventory prices, the reserve for contingencies has been increased by an appropriation of \$100,000.00 from surplus.

Late in 1940 it was decided to discontinue the Biscuit Department because it required a separate distributing organization which could not be operated profitably. Also the production of Tomato Products has been discontinued. The loss in connection with the machinery and equipment used in the manufacture of both Biscuits and Tomato Products has been charged against Income for 1940. We are increasing our sales effort on Soup, Coffee and Strained Food lines and have already experienced an increase in sales of these items. These changes have been made only after most careful investigation and consideration, and the management feels are in the best interests of your Company. There is now under construction at Canajoharie an addition which will provide increased capacity and economies in the production of our Strained and Chopped Foods Department. We are also increasing our facilities for the production of Soups and Coffee.

Cash distributions totaling \$242,662.92 have been made during the year for employees' benefits and additional compensation to employees at Christmas time. In addition, employees in service two or more years received two weeks' paid vacation and those with one year's service received one week's paid vacation. During the year \$223,586.74 provided out of Income was added to the reserve for employees' welfare.

The Company continued its exhibit at the New York World's Fair in 1940. During the two years of the Fair nearly ten million persons visited our display. A portion of the Fair exhibit was transferred to Canajoharie where it may now be seen on a trip through the home plant.

At the annual meeting the stockholders will be asked to vote upon the appointment of auditors for the Company for the ensuing year, to make the annual audit and report thereon to the stockholders. O. F. Taylor & Co., Certified Public Accountants, are suggested by the management for reappointment.

By order of the Board of Directors,

BARTLETT ARKELL

*President*

**BEECH-NUT PACKING CO.**  
**CONSOLIDATED**  
**DECEMBER**

**ASSETS**

**CURRENT ASSETS**

Cash in banks and offices . . . . .	\$ 5,103,098.21
United States Government obligations . .	\$ 1,766,203.75
Other marketable securities . . . . .	335,871.60
Total at Cost (Market value \$2,342,784.52)	2,102,075.35
Interest and dividends receivable . . . .	9,373.96
Accounts receivable—trade . . . . .	\$ 1,321,200.97
Less reserves . . . . .	54,303.38
Accounts receivable—miscellaneous . . . .	1,266,897.59
Merchandise inventories—at the lower of cost or market	145,212.82
Raw materials . . . . .	\$ 5,473,764.21
Goods in process . . . . .	60,052.29
Finished goods . . . . .	1,439,038.85
Supplies . . . . .	886,158.68
Total Inventories . . . . .	7,859,014.03
Advances on purchases . . . . .	681,146.56
Total Current Assets . . . . .	\$17,166,818.52
<b>INVESTMENTS</b>	
Security investments . . . . .	\$ 640,203.07
Mortgages and secured loans—employees	24,102.17
Total Investments . . . . .	664,305.24
<b>PLANT PROPERTY AT COST</b>	
Land and buildings . . . . .	\$ 2,849,126.82
Machinery and equipment . . . . .	5,522,202.47
Total . . . . .	\$ 8,371,329.29
Less reserves for depreciation . . . . .	3,749,235.87
Net Plant Property . . . . .	4,622,093.42
<b>DEFERRED CHARGES</b>	
Unexpired insurance . . . . .	\$ 124,357.26
Prepaid expenses . . . . .	213,857.73
Patents and trademarks . . . . .	24,851.57
Other deferred charges . . . . .	62,340.83
Total Deferred Charges . . . . .	425,407.39
<b>TOTAL</b> . . . . .	<b>\$22,878,624.57</b>

# COMPANY AND SUBSIDIARY

## BALANCE SHEET

1940

### LIABILITIES

#### CURRENT LIABILITIES

Accounts payable—trade . . . . .	\$ 161,034.61
Dividends payable . . . . .	546,905.00
Accrued federal income and excess profits taxes . . . . .	1,087,200.00
Accrued expenses . . . . .	292,606.61
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Total Current Liabilities . . . . .	\$ 2,087,746.22

#### RESERVES

Employees' welfare . . . . .	\$ 1,488,877.92
Contingencies . . . . .	500,000.00
Other . . . . .	49,250.00
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Total Reserves . . . . .	2,038,127.92

#### MINORITY INTEREST IN CAPITAL STOCK AND SURPLUS OF SUBSIDIARY CORPORATION

74,533.42

#### CAPITAL STOCK AND SURPLUS

Common stock                            \$20 par value	
Authorized 475,000 shares	
Issued     446,250 shares . . . . .	\$ 8,925,000.00
Preferred stock, Class A, \$100 par value	
Authorized and issued	
45 shares . . . . .	\$4,500.00
Less in treasury 45 shares . . . . .	4,500.00
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Paid-in surplus . . . . .	1,445,089.83
Earned surplus . . . . .	8,755,984.08
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Total . . . . .	\$19,126,073.91
Less common stock in treasury—	
8,726 shares at cost . . . . .	447,856.90
	<hr/>
Total Capital Stock and Surplus . . . . .	18,678,217.01
	<hr/>
TOTAL . . . . .	\$22,878,624.57
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Contingent liability as guarantor of letters of credit . . . . .	\$125,000.00

BEECH-NUT PACKING COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1940

Gross profit on goods sold . . . . .	\$ 11,207,676.38
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Less:

Advertising, selling, administrative, and general expenses . . . . .	\$ 6,348,322.96
Loss on equipment discarded . . . . .	337,829.25
Provision for employees' welfare . . . . .	321,000.00
Depreciation . . . . .	492,978.46
	————— 7,500,130.67

Net Income from Operations . . . . .	\$ 3,707,545.71
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Other Income

Dividends . . . . .	\$ 297,444.85
Interest . . . . .	58,067.52
Miscellaneous . . . . .	7,708.61
	————— 363,220.98

Total Income . . . . .	\$ 4,070,766.69
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Federal income tax . . . . .	\$ 969,264.10
Federal excess profits tax . . . . .	173,100.00
	————— 1,142,364.10

NET INCOME FOR THE YEAR . . . . .	\$ 2,928,402.59
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Minority interest in income of subsidiary . . . . .	38,462.86
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Net Income Transferred to Earned Surplus . . . . .	<u>\$ 2,889,939.73</u>
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BEECH-NUT PACKING COMPANY AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF EARNED SURPLUS  
YEAR ENDED DECEMBER 31, 1940

Earned surplus, December 31, 1939 . . .	\$ 8,700,639.35
Add:	
Net income for 1940 . . . . .	2,889,939.73
	_____
Total . . . . .	\$11,590,579.08
Less:	
Dividends declared on preferred stock . . .	\$ 70.00
Dividends declared on common stock . . .	2,734,525.00
Transfer to reserve for contingencies to provide for future decline in raw mate- rial prices . . . . .	100,000.00
	_____
EARNED SURPLUS, December 31, 1940 . . .	\$ 8,755,984.08
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## REPORT OF ACCOUNTANTS

TO THE STOCKHOLDERS OF BEECH-NUT PACKING COMPANY:

We have examined the consolidated balance sheet of Beech-Nut Packing Company and its subsidiary Fairmont Box Company as of December 31, 1940, and the consolidated statements of income and of earned surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested their accounting records and other supporting evidence by methods and to the extent we deemed appropriate.

In our opinion, the accompanying consolidated balance sheet and related consolidated statements of income and of earned surplus present fairly the position of Beech-Nut Packing Company and Subsidiary at December 31, 1940, and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

O. F. TAYLOR & CO.  
*Certified Public Accountants*

New York, N.Y.  
February 21, 1941

# BEECH-NUT PACKING COMPANY

## CANAJOHARIE, NEW YORK

*1891 • Fifty Years of Progress • 1941*



BARTLETT ARKELL

**I**N 1891, just fifty years ago, the BEECH-NUT PACKING COMPANY was founded. Just fifty years ago, Bartlett Arkell was elected President of a newly formed corporation that started with fewer than ten employees, and assets of \$10,000. The Beech-Nut Packing Company, first called the Imperial Packing Company, started in rented premises on a side street of Canajoharie, New York, the famous town in the Mohawk Valley at which the main plants of Beech-Nut are still located.

Mr. Bartlett Arkell has been the guiding force of the Company since its founding. He is the first and only President and has nurtured the growth of the Company with unceasing care

and attention through the perplexing and financially difficult years of expansion.

Beech-Nut started in a barrel. Fifty years ago a young man of Canajoharie decided that his father's unusual success in barrel smoking hams should be commercialized. He interested his brother and two friends in the new venture, and, feeling that they needed someone with business experience, they invited Bartlett Arkell to join them as President of the new company.

The first products sold were ham, bacon, dried beef, and lard. The young business struggled along for a few years until two of the organizers withdrew. New capital was enlisted, and with it came renewed faith and determination. The problem to be met was one of packaging the meats so that they would not spoil and could be shipped great distances. After arduous experimentation with glass containers a vacuum jar was developed which solved the

packaging problem. Just as all of this work was coming to fruition the large expenses caused the Company to again find itself in financial straits. Then in 1900 Mr. Arkell reorganized the Company and invested additional funds, giving up his interest in other enterprises. Due to his efforts the turn of the century saw the turn of the tide; but the favorable start was retarded by a fire in 1903 which practically destroyed the entire plant. Courage and determination, backed by belief in the Company's objective and aided by liberal insurance, enabled the management to surmount this discouraging handicap. Improved buildings and equipment gave an impetus to the forward movement of the Company's activities.



Beech-Nut Packing Company - 1891

The use of the vacuum jar started Beech-Nut on the path of success. Bacon and beef were packed in the new jars and could now be shipped to far markets and kept for months without spoiling. Hams in bulk were also sold. Expansion had begun. Always on the lookout for new products of unusual flavor, Beech-Nut next introduced a jam taken from the recipe of Mr. Arkell's sister, who went to the plant and personally supervised production. Constant experimentation and the search for additional new products with individuality of flavor resulted in the manufacture of numerous items, several of which, however, have been discontinued. Still being made with the patience and exactitude that Beech-Nut requires are bacon, ham, peanut butter, coffee, strained foods, chopped foods, and soups; also, candy and chewing gum.

New products brought new problems, but these were solved as they arose. No new product was marketed unless it was of the highest quality and as appealing to the palate as that kind of product could be. The care, thought, and energy that went into the development of packaging and uniqueness of flavor was also used to make Beech-Nut the cleanest and most sanitary of factories. No new pure food regulations have ever affected the Beech-Nut Packing Company. It has been a pioneer in the field.

The attitude of the Beech-Nut Packing Company toward its employees is reflected in the provisions for their comfort and welfare. The surroundings are attractive and the equipment is of the best. Insurance covering sickness, disability, pensions, and death were given to employees free of charge for many years prior to the federal legislation requiring it. Christmas bonuses paid in accordance with the number of years of employment have been standard policies of the Company since 1912. Paid vacations have always been given to office workers. Factory workers have received them since 1937.



Main Office and Plant - 1941  
Beech-Nut Packing Company, Canajoharie, N.Y.

It has been fifty years since the Canajoharie "Courier" reported "... there is no reason why the business should not grow and continue to grow until the Imperial Packing Company (now Beech-Nut Packing Company) becomes a veritable household word". The Canajoharie "Courier" was correct. Beech-Nut has become a household word.

# BEECH-NUT PACKING COMPANY

## CANAJOHARIE, NEW YORK

### DIRECTORS

#### BARTLETT ARKELL

W. C. ARKELL	L. T. HALLETT
F. E. BARBOUR	G. W. SHARPE
E. W. SHINEMAN	F. L. FERO
J. S. ELLITHORP, JR.	C. N. ROBINSON

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### OFFICERS

BARTLETT ARKELL . . . . .	<i>President</i>
W. C. ARKELL . . . . .	<i>Vice-President</i>
F. E. BARBOUR . . . . .	<i>Vice-President</i>
E. W. SHINEMAN . . . . .	<i>Vice-President &amp; Treasurer</i>
J. S. ELLITHORP, JR. . . . .	<i>Vice-President</i>
G. W. SHARPE . . . . .	<i>Secretary</i>
F. L. FERO . . . . .	<i>Assistant Treasurer</i>
C. J. PETERSON . . . . .	<i>Assistant Vice-President &amp; Assistant Secretary</i>
J. V. VOSBURGH . . . . .	<i>Assistant Vice-President</i>
R. J. HOOVEN . . . . .	<i>Assistant Vice-President</i>

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*Transfer Agent*

MANUFACTURERS TRUST CO., NEW YORK CITY

*Registrar*

BANKERS TRUST CO., NEW YORK CITY



## BEECH-NUT PRODUCTS

Coffee (vacuum tin) Steel Cut

Coffee (vacuum tin) Drip Grind

Coffee (vacuum tin)  
Extra Fine Grind

Sliced Bacon - Peanut Butter

Sliced Beef - Ham

### SOUPS

Cream of Pea - Corn Chowder

Cream of Tomato - Black Bean

Chicken Noodle - Vegetable

Chicken Soup with Rice

Cream of Mushroom

### STRAINED FOODS

Blended Cereal - Spinach - Peas  
Carrots - Green Beans - Beets  
Vegetable Soup - Apple Sauce  
Prunes - Liver and Beef Soup  
Apricots and Apples

### CHOPPED FOODS

Apricots and Apple Sauce - Beets  
Green Beans - Spinach - Carrots  
Prunes - Liver and Beef Soup  
Vegetables and Lamb with Rice  
Vegetable Soup - Vegetables and  
Beef with Rice and Barley

### MINTS

Peppermint - Spearmint  
Wintergreen - Clove

### CHEWING GUM

Peppermint - Spearmint  
Oralgum  
Peppermint Beechie's  
Spearmint Beechie's  
Cinnamon Beechie's  
Pepsin Beechie's  
1¢ Oralgum  
1¢ Assorted Beechie's

### FRUIT and CANDY DROPS

Lemon Drops - Rummies  
Lime Drops - Assorted Drops  
Orange Drops - Luster-Mints  
Spirals  
Black Cough Drops  
Menthol Cough Drops



